



PRESS RELEASE

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CONTACT:

Brad Sherwood, SCWA
707.547.1927 (office)

Kirk Girard, County of Humboldt
707. 268.3735 (office)

Water Supply Shortages and Layoffs Likely for North Coast Region if Pooled Money Investment Board Exemption Not Granted

(Eureka, CA) — In order to protect the health, economy and water supply of the North Coast Region, North Coast Integrated Regional Water Management Plan (IRWMP) leaders are seeking a \$2.5 million exemption from the December 17, 2008 bond funding freeze ordered by the Pooled Money Investment Board (PMIB). The PMIB's freeze impacts all disbursements for state bond programs, including funding from Proposition 50, which funded water supply, flood protection and restoration projects currently underway in the North Coast Region. The freeze was put into effect in response to the State's budget woes.

"The bond disbursement freeze will result in nothing short of an economic catastrophe for local communities in the North Coast," said Humboldt County Supervisor Jimmy Smith. "We need this exemption to continue projects that will provide vital services to residents in North Coast communities, including drinking water and water supply for irrigation."

The North Coast IRWMP will take its plea for an exemption to the PMIB this Friday, January 16, which will consider exempting over 2 billion in funding from its bond freeze order. An exemption of \$2.5 million from the suspension for North Coast projects would allow the North Coast IRWMP to continue four projects currently under construction and pay \$1.7 million in outstanding invoices that were caught up in the freeze. Stopping work on these projects will result in at least \$300,000 in demobilization of equipment, penalties, legal fees, and materials sitting on site. With an average unemployment rate in the 7-county North Coast region over 10 percent, canceling these infrastructure projects; most of which are occurring in disadvantaged communities, will have devastating economic impacts.

Below is a list of projects in construction impacted by the bond funding freeze:

Mattole Watershed Restoration - \$369,176 in outstanding unpaid invoices, representing 13 percent of the organization's annual budget will not be paid, resulting in layoffs, penalties from sub-contractors and possibly legal fees.

Westport County Water District Water Supply Reliability – \$107,439 in outstanding unpaid invoices. This project is currently underway. Delays of more than one month will result in delays in project completion and contractor penalties resulting in increased project costs. If left incomplete,

the community may face drought conditions and be unable to adequately suppress fires during the dry summer months.

Newell Water System Renovation - \$358,180 in outstanding unpaid invoices. This project is actively in construction and is 75 percent complete. Current conditions in this system include unsafe drinking water and a daily loss of 56 percent of the water supply due to leaks in the water lines. Failure to complete this project may result in the community no longer being able to provide drinking water to residents.

Araujo Dam Restoration – This project is 90 percent complete, however further delays in funding will impede project completion and may result in inability of local farmers to irrigate their lands this summer.

Raw and Recovered Water for Irrigating Public Agencies - \$349,919 in outstanding unpaid invoices. This project is nearly 85 percent complete and has only 500 feet of pipe out of 15,000 left to install. If left incomplete, the community may face shortages in drinking water supplies during the hot and dry summer months.

Shasta Water Association Dam Restoration - \$271,784 in outstanding unpaid invoices. This project is 40 percent complete. If not completed by the beginning of the irrigation season (April) 140 stakeholders will not be able to irrigate their lands. This will have catastrophic results for the ranch operations and associated industries in the Shasta Valley.

For a complete list of impacted projects and for more information about the North Coast IRWMP and its projects, visit www.northcoastirwmp.net.

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Sonoma County Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at www.sonomacountywater.org.